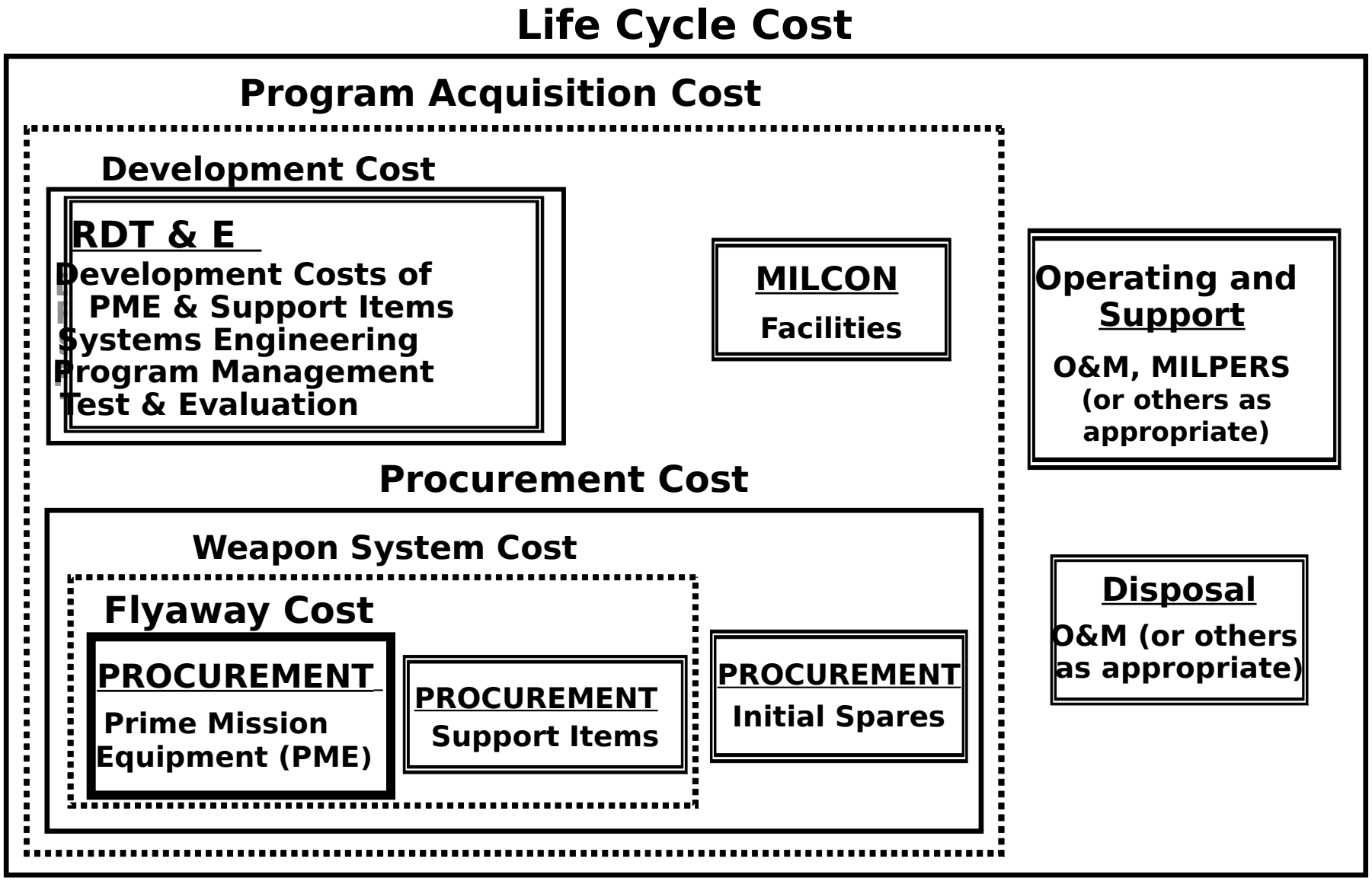
Life Cycle Cost Composition



Cost Estimating Requirements

	ACAT IC & ID (MDAP)	ACAT IA (MAIS)
POE	Program initiation & all subsequent milestones, including FRP DR	Program initiation & all subsequent milestones - Includes Economic Analysis
CARD	MS A & all subsequent milestones including FRP DR - Draft 180 days prior to OIPT/milestone - Final 45 days prior to OIPT/milestone	MS A & whenever Economic Analysis is required - Draft 180 days prior to OIPT/milestone - Final 45 days prior to OIPT/milestone
CCE	MS A and all subsequent milestones including FRP DR	MS A and whenever an Economic Analysis is required
ICE	Required by law for all MDAP programs * - Prepared by OSD CAPE for ACAT ID, and ACAT IC at discretion of USD (AT&L) - Prepared by component cost agency (AFCAA, DASA-CE, NCCA) for ACAT IC (if no CAPE estimate) - In advance of any certification under Title 10, USC, Section 2366a (MS A) and Section 2366b (MS B) - In advance of any decision to enter low-rate initial production (LRIP) (MS C) or full-rate production (FRP DR) - In advance of any certification of MDAPs that experience critical cost growth (Title 10, USC, Sec 2433a) - In advance of any report of Critical Program Changes for MAIS (Title 10, USC, Sec 2445c(f))	

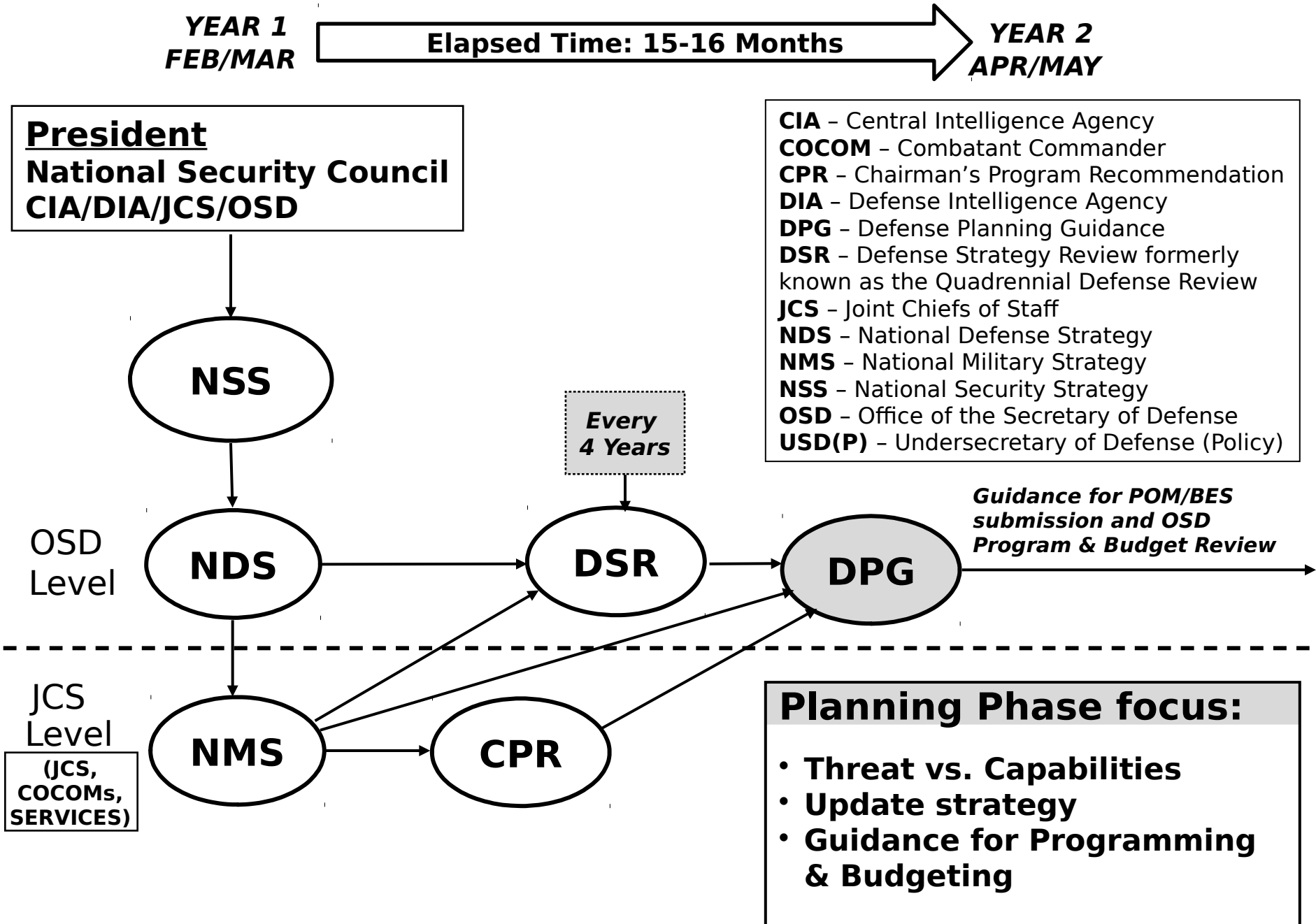
ACAT II & ACAT III: POE (and, at MDA discretion, an independent cost estimate prepared by the component cost agency)

*ICE statutory requirement (Title 10, US Code, Sec 2434) and P.L. 111-23, May 22, 2009 Weapon Systems Acquisition Reform Act of 2009

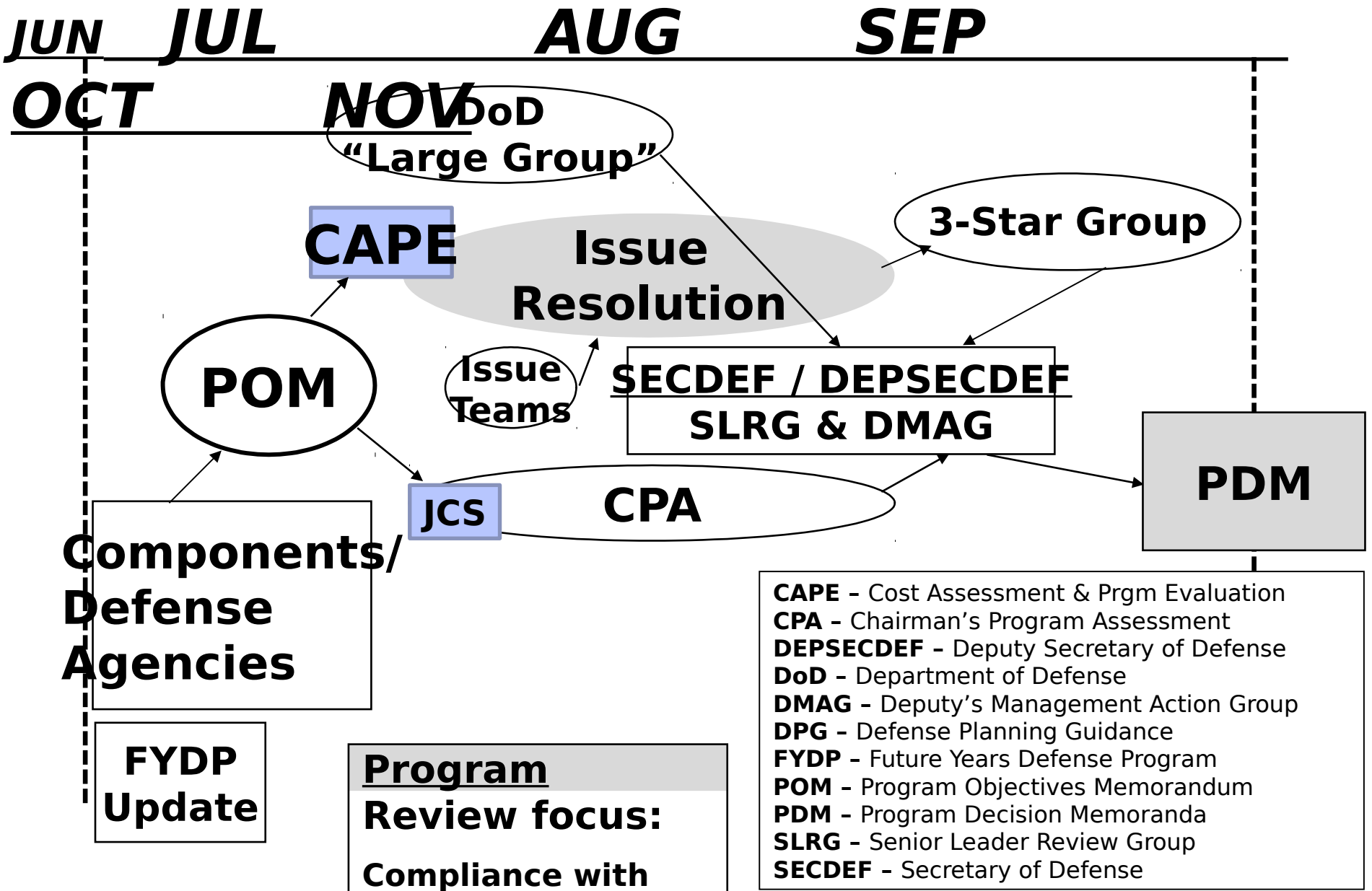
Source: DoDI 5000.02, January 2015

AFCAA = Air Force Cost Analysis Agency
ACAT = Acquisition Category
CAPE = Cost Assessment & Program Evaluation
CARD = Cost Analysis Requirements Description
CCE = Component Cost Estimate
DASA-CE = Dep Asst Sec of Army (Cost & Economics)
FRP DR = Full Rate Production Decision Review
ICE = Independent Cost Estimate
MAIS = Major Automated Information System
MDA = Milestone Decision Authority
MDAP = Major Defense Acquisition Program
NCCA = Naval Center for Cost Analysis
OIPT = Overarching Integrated Product Team
POE = Program Office Estimate
USD(AT&L) = Under Secretary of Defense (Acquisition, Technology, & Logistics)

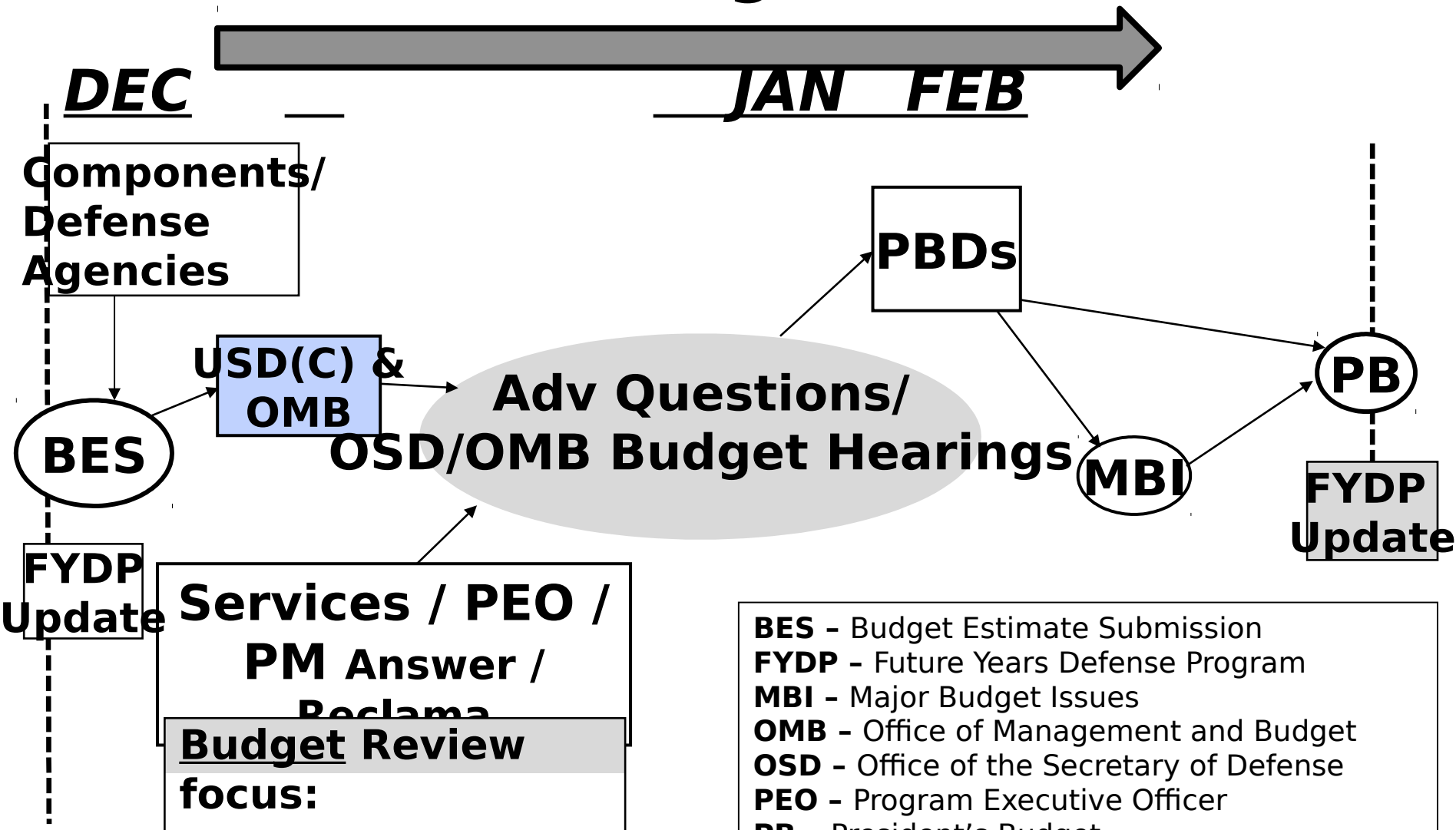
PPBE – Planning Phase - Led by USD (P)



PPBE - Program Review



PPBE – Budget Review

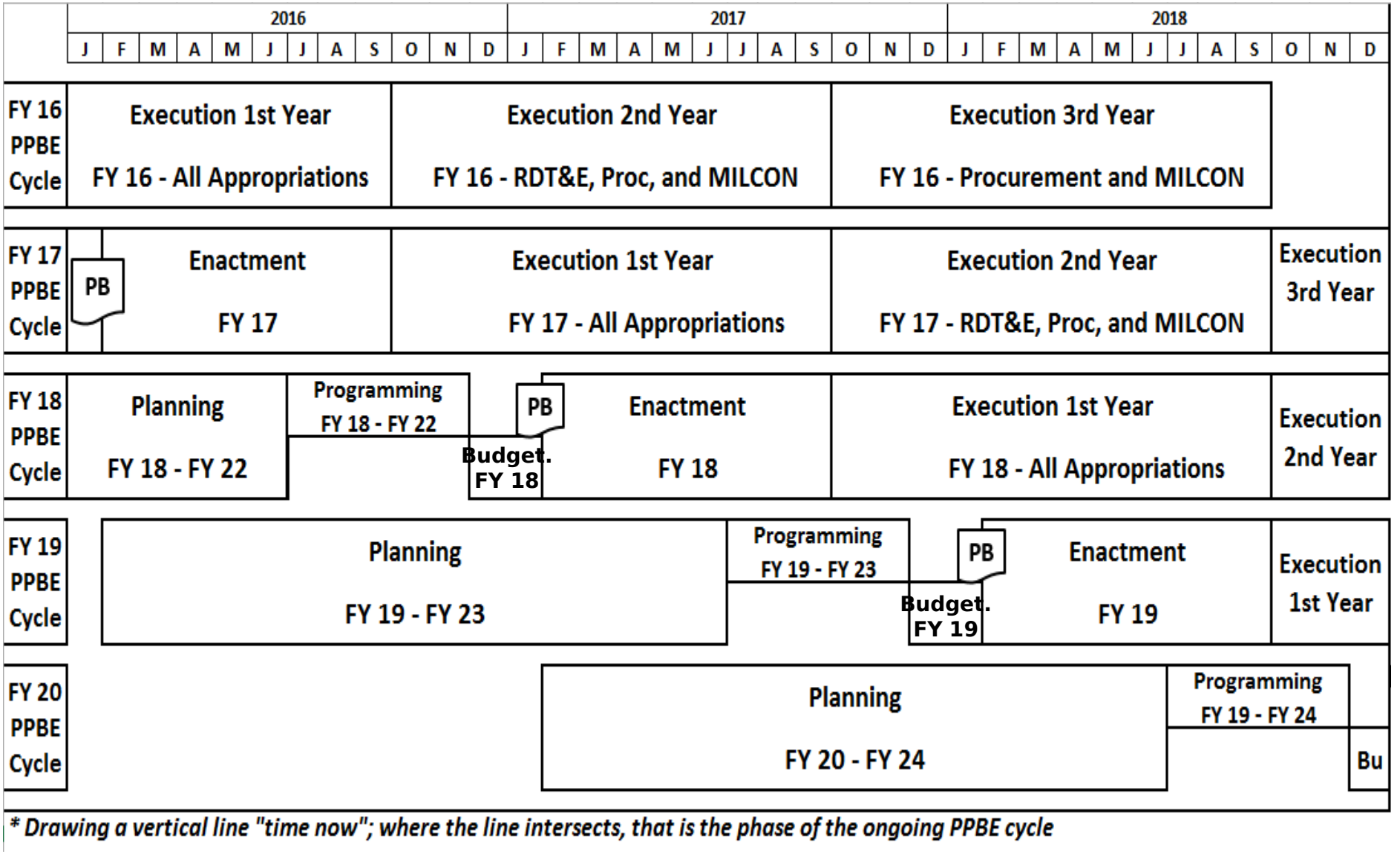


Budget Review focus:

- **Pricing**
- **Funding policies**
- **Phasing**
- **Budget execution**

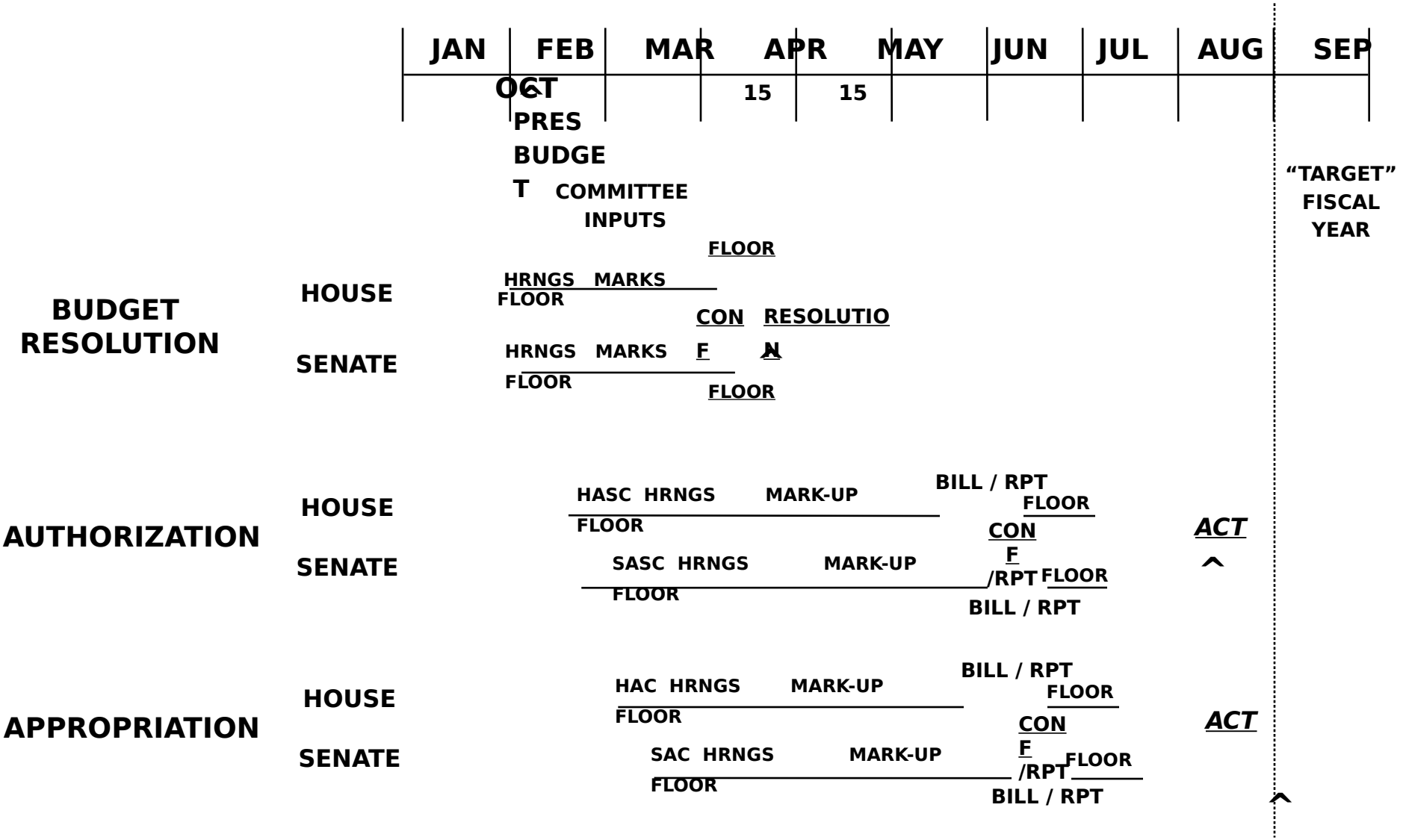
BES – Budget Estimate Submission
FYDP – Future Years Defense Program
MBI – Major Budget Issues
OMB – Office of Management and Budget
OSD – Office of the Secretary of Defense
PEO – Program Executive Officer
PB – President's Budget
PM – Program Manager
PBD – Program Budget Decision
USD(C) – Undersecretary of Defense (Comptroller)

Resource Allocation Process



** Drawing a vertical line "time now"; where the line intersects, that is the phase of the ongoing PPBE cycle*

Congressional Enactment Timetable



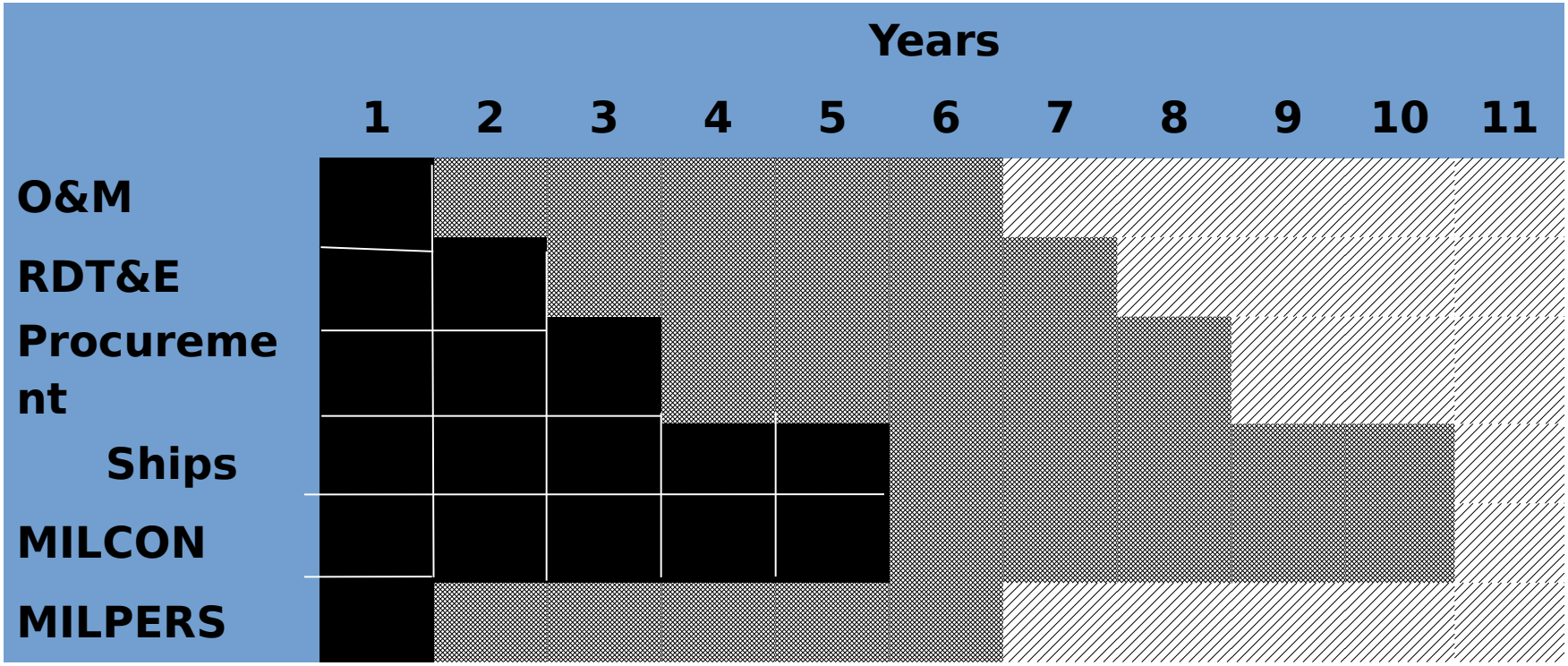
Below Threshold Reprogramming

Amounts are Cumulative Over Entire Period of Obligation Availability

APPRN	MAX OBL AVAIL	MAX INTO	MAX OUT	LEVEL OF CONTROL
RDT & E	Lesser of + $10 M or + 20%	Lesser of - $10 M or - 20%	Program Element	2 Years
PROC	Lesser of + $20 M or + 20%	Lesser of - $20 M or - 20%	Line Item	3 Years SCN: 5 Years
O & M	+ $15 M	- $15 M	Budget Activity (or Defense Agency) Some Sub-Activity Limitations on Decreases (see reference below)	1 Year
MILPERS	+ $10 M	No Specific Congressional Restriction	Budget Activity	1 Year
MILCON	Lesser of + $2 M + 25 %	No Specific Congressional Restriction	Project	5 Years

Reference Sources: DoDFMR 7000.14-R, Volume 3, Chapter 6 (Sep 2015) and Chapter 7 (Mar 2011)

Appropriation Life Cycle



Current Period: **Available for new obligations, obligation adjustments, expenditures, and outlays**

Expired Period: **Available for obligation adjustments, expenditures, and outlays**

Cancelled: **Unavailable for obligations, obligation adjustments, expenditures, and outlays**